B

MYSORE GOVERNMENT SECRETARIAT.

REQUISITION FOR RECORDS.

Bangalore,

Dated 28-7- 19 65

CB 148 - 49

1) File No. ~~CB 148 - 49~~

2) Serial No. 1 - [illegible]

3) To be put up for Diary or File No. HD 2 MMD 5 ? 19

4) ~~Name in Block letters~~ of person requisitioning. G. R. DASUTKAR.

5) Signature of person requisitioning. GRD-sutkar

6) Designation. Assistant.

7) Department. Home Dept.

8) Section. M. SSA - Board

9) Countersignature * H. C. Seemwal

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* In case of 'Secret'/' Top Secret ' papers countersignature of Superintendent/Under Secretary will be necessary.

Note:—The consent of the Department to which the file relates should be obtained if the file indented for belongs to a different Department.

WD 014729—GPB—500 pads of 100 shts. each—15-1-1965

[redacted]

App. F. IX-4

Previous References.

19 49-50
(CR)

File No. 168-6

Serial Nos. 6

Later References.

GENERAL AND REVENUE SECRETARIAT

Serial Nos. One

Part B for Nov 49

SUBJECT

Federal Financial Integration.

Serial No.

Memo from the Special officer & joint secretary, Govt of India Ministry of States forwarding a copy of his joint secy's D.O letter No. F-2-2(My)/49 of 16-11-1949 to the Financial secretary to Govt of Mysore on the above subject

1) Remarks of Briefly.

CB. ack. Note and issue Extracts to concerned Secretaries.

2) Draft and fair of a letter acknowledging is put up.

3) ~~Draft~~ issue, This is only a copy of letter addressed to the Financial Secy. Financial Branch must also be taking action & inform all the Secretaries, of the contents of the letters. If agreed this will be submitted by by or sending relevant extracts to Secretaries. Submit for orders

CKS
23/11/49

4) After issuing the acknowledgment, Jl. Br. may be consulted whether any action is expected to be taken in C.B. on any of the points arising out of Federal Financial Integration.

5) Issued
ASMR
24.11.49

Sd/-
24.11.49.

No 5413/CB dt 24-11-49
to the joint secretary to the Govt of India

NOTE—Contn. Sheet.

Federal Financial Integration

File No. 2064/FL 2266/CB of 1949. | General and Revenue Secretariat

Serial No.

Ministry of States, Hyderabad House New Delhi acknowledging the letter.

6) Rembd for being sent to Rlwy Bd

CKS 25/11

Ref. para 4. for favour of remarks if any.

Dy Secy Fin (E) 25.11.49.

dsmR 25/11/49

Rly Bd is already taking action.

However, it is better that extracts are furnished to the Secretaries concerned.

Dy Secy (E) 26/11/49.

Dy Secy. CB (E) 28/11/49.

dsmR 29/11

GENERAL & REVENUE SECRETARIAT 29 NOV 1949 CONFIDENTIAL BRANCH.

Extracts for being sent to concerned Secretariats are put up

CKS 25/12

Issue dsmR 16/12/49

15.12.49

Issued Extracts No 6295-98/CB to Hyd. Govt.

6296/CB to the Asstt. Secy (Railway Branch)

6297/CB to the Development Secretary

6298/CB to the Home Secretary

6299/CB. to the [illegible]

on 17

Federal Financial Integration

File No. 2064/FL 2266/CB of 1949. | General and Revenue Secretariat

Serial No.

Ministry of States, Hyderabad House New Delhi acknowledging the letter.

6) Rcvd for being sent to Rlwy Bd.

CKS 25/11

Ref. para 4. For favour of remarks if any.

Asst Secy Fin wje

25.11.49.

Rly Bd is already taking action.

However, it is better that extracts are furnished to the Secretaries concerned.

Rly Bd 26/11/49.

28/11/49.

Asst. Secy. CB wje)

29/11

GENERAL & REVENUE SECRETARIAT 29 NOV 1949 CONFIDENTIAL BRANCH.

Extracts for being sent to concerned Secretariats

Draft-ups

CKS 25/12.

15.12.49

Issued Extracts No 6295/CB to Home Branch
6296/CB to the Asst Secy, Railway Branch
6297/CB to the Development Secretary
6298/CB to the Law Secretary
6299/CB to the Defence Minister for information

on 19

D.O.No.FFI-2(MY)/49.

Hyderabad House 16th Nov

My dear Shamanna,

FEDERAL FINANCIAL INTEGRATION

During the discussions last month, preparatory to signing the Memorandum of Agreement concerning federal financial Integration, I gave the assurance to the representatives of Mysore that any concessions made in any other case would be extended to Mysore also if and to the extent that they were relevant. You may therefore take note of the following :-

(a) Privy Purses: Privy Purses will, in all cases, be treated as "federal" expenditure passing to the Centre on federal financial integration and dealt with as such in the integration computations. If, when so treated, the State still has a "revenue-gap" (i.e. loss) resulting from financial integration, it is only that gap which will be guaranteed; and if the result is a profit to the State, the Privy Purse or such profit(whichever is less) will be recovered directly from the State over a period of years.

(b) Defence: In no case is the Centre taking over the expenditure on Non-I.S.F. units of the State Forces. Hereditary pensions also are not being taken over by the Centre in any State.

(c) Audit and Accounts is being taken over in all cases, and the expenditure now being incurred thereon in the States is, therefore, being treated as 'federal' for purposes of the integration computations.

(d) Civil Pensions: These are being treated, in all cases, in the same way as in clauses 7(c) and 8 of the Memorandum of Agreement with Mysore.

(e) The following concession which was made in the case of Travancore-Cochin Union will be extended to Mysore also, if there should happen to be any similar State-sponsored enterprises in Mysore(not covered by the expression "Industrial Corporations") now enjoying any explicit tax-exemptions :-

CHIEF SECRETARY 5 23 NOV 1949 GOVT. OF MYSORE

"The Travancore Bank Ltd., and the Travancore Credit Bank Ltd., shall be treated as "Industrial Corporations" for purposes of the continuance of the Income-Tax concessions now enjoyed by them in accordance with paragraph 11(3)(b) at page 47 of the Annexure to Part I of the Committee's Report".

2. The following further points in connection with federal financial integration should also be noted :-

(i) Staff: Heads of departments should not be allowed to use this occasion for loading federal departments with surplus "passengers" on the other hand, there should be no withdrawal of officers belonging to the Mysore Civil Service now working in "federal" departments. As regards confirmation, there should be strict adherence to the principles already operative in Mysore which, I am sure, are quite sound; and all promotions should be limited to essential cases only and should be on temporary officiating basis.

It would be most convenient, if on the occasion of federal financial integration, the pay due for the month of March 1950 to staff transferred to the Centre on 1-4-1950 were paid by the Hyderabad Government and subsequently recovered from the Government of India.

(ii) So far as federal financial integration is concerned, the recent decisions by the Defence Ministry relating to Indian State Forces will in no way affect the Centre's previously agreed obligations in consequence of federal financial integration, either as regards the basis of the integration computations or as regards bearing the entire Defence (I.S.F.) expenditure after 1-4-1950.

(iii) The Government of India have decided that they would accept the aerodromes at Bangalore and Mysore as aerodromes of national importance. These aerodromes must therefore continue to be worked by your Government until federal financial integration becomes effective. I may add that there is no intention to take over

(iii) these two aerodromes earlier than 1-4-1950; indeed it is possible that even after 1-4-1950, they may be continued under the administration of the Mysore Government themselves acting as "Agents" of the Central Government for this purpose. In that event, financial and policy responsibilities will, of course, be that of the Central Government. (If there are any other civil aerodromes in Mysore, their maintenance may be discontinued if the Mysore Government so think fit; in any case, they will not go to the Centre as a result of federal financial integration.)

(iv) Gold Duty: As I understood the matter, this duty in its old form was discontinued in May (or June) 1949. If so, I confirm that in the assessment of the Gold Companies in 1950-51, the duty paid upto the date of its continuance in the old form will be allowed as an expense in the computation of their assessable profits.

3. I am handing over charge of federal financial integration work to Sumithathan, who used to be the Secretary, Indian States Finances Enquiry Committee, I myself having been transferred to Bombay. I take this opportunity to convey to you and to your Government my thanks for the great deal of co-operation and assistance which were extended to me in connection with federal financial integration work.

Yours sincerely,

Sd/-

(N. Dandekar)

N. Shamanna Esquire,
Finance Secretary,
Mysore Government,
Bangalore.

Copy to:

K.Srinivasan, Esq.,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore,
BANGALORE.

M.Y. Gadkari
Officer on Special Duty
for Joint Secretary

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. 5413/CB

General and Revenue Secretariat,

Dated Bangalore, 23rd November ..... 1949.

FROM

The Chief Secretary to the Government of His Highness the Maharaja of Mysore.

TO

The Joint Secretary to the Government of India,
Ministry of States,
Hyderabad House,
NEW DELHI.

SIR,

Subject:- FEDERAL FINANCIAL INTEGRATION

I am directed to acknowledge the receipt of copy of your D.O. letter No.FFI-2(MY)/49 dated 16th November 1949 to Sri M. Shamanna, Financial Secretary to the Government of Mysore, on the above subject.

Yours faithfully,

24.11.49

Chief Secretary to Government.